Estimate on total corporate welfare expenditures range from $200 billion to $500 billion over 5 years, which would go a long way toward balancing the budget and investing in our future. This bill would save $39.575 billion over 5 years by ending 6 programs and reforming 1 program, some of the most egregious corporate welfare programs. Because I've limited this legislation to the most egregious examples, my bill is a litmus test for anyone who is serious about ending corporate welfare.

My bill will end the territorial possessions tax credit, which will save taxpayers $19.8 billion over 5 years. Corporations chartered in the United States are subject to U.S. taxes on their worldwide income. However, the U.S. Territorial Possessions Tax Credit provided by section 936 of the IRC permits qualified U.S. corporations a tax credit that offsets some or all of their U.S. tax liability on income from business operations in the possessions. My bill would eliminate this tax credit because the current incentive encourages companies to move jobs and capital out of the 50 States to overseas locations. The tax credit is not cost effective because foregone tax collections are high compared to the number of jobs created in the possessions. For example, taxpayers lose an average of $70,000 in revenue for every job created in Puerto Rico. The many drug companies and electronic firms that have set up subsidiaries in the possessions often assign ownership of their most valuable assets—patents, trade secrets and the like—to their territorial operations, and then claim that a large share of their total profits is earned in the possessions and therefore eligible for the tax break.

My bill will end the Foreign Sales Corporation [FSC] tax credit, which will save taxpayers $7.8 billion over 5 years. The tax code's FSC provisions permit U.S. exporters to exempt 15 percent of their export income from U.S. taxation. This encourages U.S. companies to form subsidiary corporations in a foreign country—which can just be a mailing address—to qualify as a FSC. A portion of the FSC's own export income is exempt from taxes, and the FSC can pass on the tax savings to its parent because domestic corporations are allowed a 100-percent dividends-received deduction for income distributed from a FSC. This program does not increase U.S. exports, and it may actually expand our trade deficit.

My bill will end special tax treatment of alcohol fuels, which will save taxpayers $3.875 billion over 5 years. Manufacturers of gasohol (a motor fuel composed of 10 percent alcohol), get a tax subsidy of 54 cents per gallon of alcohol used. Also known as ethanol, 95 percent of current production is derived from corn. The subsidy is designed to encourage the substitution of alcohol fuels produced from corn for gasoline and diesel. The gasohol tax break was enacted to lower the cost of producing a fuel that is not competitive. It targets one, specific, alternative fuel over many others—such as methanol, liquefied petroleum gas, compressed natural gas, or electricity—that could also substitute for gasoline or diesel. Alcohol fuel not only costs more, but also requires substantial energy to produce, diminishing the net, overall, conservation effect. Providing tax subsidies for one type of fuel over others is an inefficient allocation of resources when the subsidized fuel is more costly to produce than other fuels. Substantial losses in Federal tax revenue have primarily benefited Archer-Daniels-Midland, the Nation's chief gasohol producer.

My bill will end irrigation subsidies, which will save taxpayers $4.15 billion over 5 years. Irrigation subsidies encourage inefficient use of water resources, including production of water-intensive crops in arid regions. In these regions, loss of natural river flows has destroyed wetlands and devastated fish and wildlife populations. Many of these subsidies go toward production of surplus crops, which the U.S. Government pays farmers not to grow. This double dipper subsidy costs taxpayers as much as $830 million annually. Also, these subsidies foster agricultural production on marginal lands, the cultivation of which requires excessive chemicals. Polluted drainage and runoff from these lands contributes to the degradation of rivers and streams, as well as to the contamination of aquifers and poisoning of fish and wildlife.

My bill will end the practice of subsidizing the purchase of produce by foreign consumers, which will save taxpayers $3.5 billion over 5 years. The United States Department of Agriculture subsidizes the export of agricultural commodities through the Export Enhancement Program [EEP]. U.S. exporters, primarily multinational commodity firms, participating in the EEP negotiate directly with buyers in a targeted country, then submit bids to the USDA for cash bonuses. The program, established under the Reagan administration, is ostensibly meant to match European export subsidies, but does more to boost exporters' profits than U.S. farm production. The program has not been an effective counterweight to foreign subsidies and has depressed world commodity prices, penalizing competitors who do not subsidize their exports.

My bill will end the Market Promotion [MPP], which will save taxpayers $550 million over 5 years. The Market Promotion Program [MPP], which will save taxpayers $550 million over 5 years. The Market Promotion Program spends $110 million per year underwriting the cost of advertising American products abroad. In 1991, American taxpayers spent $2.9 million advertising Pillsbury muffins and pies, $10 million promoting Sunkist oranges, $465,000 advertising McDonald's Chicken McNuggets, $1.2 million boosting the international sales of American Legend mink coats, and $2.5 million extolling the virtues of Dole pineapples, nuts, and prunes. Wrangler of Japan—partly owned by Mitsubishi—collected $1.1 million from American taxpayers to advertise jeans in Japan, which were not even manufactured in the United States. The MPP has done little to assure that funds increase overseas promotional activities rather than simply replace private funds that would have been spent anyway. These companies hardly need a Federal subsidy for advertising, and the program has become a virtual entitlement for some of the biggest corporations in America.

My bill will reform the Mining Act of 1872, which will save taxpayers $300 million over 5 years. The 1872 Mining Act permits companies (foreign or domestic) to extract valuable minerals from Federal land—taxpayer-owned land—for next to nothing. They can purchase land for $2.50 per acre and pay no royalties on the minerals they extract. Each year, $2 billion to $3 billion worth of minerals are taken from public lands. Mining companies can ''patent''—or buy—20-acre tracts of land for $5 an acre or less. This patenting process has been used to sell more than 3.2 million acres of public land, an area about the size of Connecticut. Also, massive environmental damage has been left by mining operations on public lands. The cost of such cleanups is estimated at between $32 to $72 billion. The Atlanta Journal and Constitution newspaper editorialized that a Canadian company * * * was able to steal a $10 billion gold mine from the United States taxpayers, who owned both the property and the mineral rights. The company paid less than $10,000 for the land. My bill would charge royalties and lease land.

The legislation I am introducing today will be a good start toward ending corporate welfare and balancing the Federal budget. I urge you and all of my House colleagues to support it.

THE ONLINE PARENTAL CONTROL ACT OF 1996

HON. ANNA G. ESHOO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1996

Ms. ESHOO. Mr. Speaker, today I'm introducing the Online Parental Control Act of 1996 to fix a major flaw in the telecommunications reform bill. My proposal strengthens the control parents have over their children's access to online materials and better protects the first amendment rights of computer users.

First, it replaces the controversial indecency standard with a constitutional harmful to minors standard.

Second, it provides additional incentives for the development of better parental control technologies, as well as the use of labeling or segregating systems which would allow parents to restrict access to online materials.

I support efforts to address this issue in court. But I also believe a protracted legal battle will potentially leave children exposed to harmful material and place the free speech rights of computer users in jeopardy for an extended period of time.

Congress needs to offer both sides of this controversy a reasonable opportunity to resolve it. The Online Parental Control Act, I believe, is the sensible opportunity.

Mr. Speaker, I urge my colleagues to support this effort to protect both children and free speech by cosponsoring this legislation.

LEGISLATION TO ELIMINATE THE DISINCENTIVE FOR EMPLOYERS TO PROVIDE BONUSES TO CERTAIN EMPLOYEES

HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1996

Mr. BALLENGER. Mr. Speaker, today I am joined by Mr. GOODLING and Mr. FAWELL in the introduction of legislation to eliminate the disincentive under the Fair Labor Standards Act for employers to provide bonuses to hourly paid employees. Presently, the FLSA requires that certain payments to a nonexempt employee—such as commissions, gainsharing, incentive, and performance contingent bonuses—must be included in the employee's